



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
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To: The Honorable Lincoln C. Almond, Governor
The Honorable John B. Harwood, Speaker of the House
The Honorable William V. Irons, Senate Majority Leader

From: Rosemary Booth Gallogly, State Budget Officer
Michael O'Keefe, House Fiscal Advisor
Russell C. Dannecker, Senate Fiscal Advisor

Date: June 7, 2002

Subject: May 2002 Consensus Revenue Estimating Conference

Summary

The Revenue Estimating Conference (REC) met April 30, May 2, May 3, and May 6 in open public meetings. At the April 30 meeting, the conferees adopted a revised economic forecast based on updated testimony provided to the REC by the state's economic consultants. The conferees agreed that the state's economy is now out of recession and that the recovery from the recession will be mild to moderate.

At the May 6 meeting, the conferees established the final revenue estimates for FY 2002. The conferees lowered the FY 2002 revenue estimates by \$92.9 million based on the November 2001 REC estimates for FY 2002 revenues compared to actual revenue collections through April 2002. In November 2001, the REC had lowered revenue estimates by \$35.7 million from the enacted FY 2002 budget. Thus, the total decline in revenue from the FY 2002 enacted budget has been estimated to be \$128.6 million.

Also at the May 6 meeting, the conferees reviewed and revised the FY 2003 estimates that were first determined at the November 2001 Revenue Estimating Conference. The May REC revised the original FY 2003 estimates downward by \$74.6 million based on the FY 2002 final estimates and the revised economic forecast of a mild to moderate economic recovery during FY 2003. The FY 2003 revenue estimates are \$2.5 million below the final revised FY 2002 revenue estimates. The estimates are based on current laws, which include lower income tax rates and expiration of the hospital tax. Tables showing the estimates and the changes are included at the end of this report.

Economic Forecast

The Conferees met with the consulting economists from DRI-WEFA and Economy.com, James Diffley and Steven Cocharane, respectively, on April 30 to review economic forecasts and assess the current and future state of Rhode Island's economy. Legislation enacted by the 1998 Assembly amended the Revenue Estimating Conference statutes to require a consensus economic forecast. That forecast appears in the table below.

Annual Growth	CY 2000	CY 2001	CY 2002	CY 2003	CY 2004
Nonfarm Employment	2.5	0.5	0.6	1.0	1.0
Personal Income	5.9	3.8	2.9	3.9	4.4
Wage and Salary Income	7.1	4.2	3.4	5.2	6.1
Farm Income	9.5	-38.5	-22.6	7.5	2.7
Nonfarm Business Income	5.5	4.8	4.6	5.6	2.7
Dividends, Interest and Rent	3.8	1.1	0.3	0.3	1.1
Total Transfer Payment	3.5	6.8	4.8	2.6	2.4
Rates					
Unemployment Rate (RI)	4.1	4.7	4.6	4.5	4.3
Consumer Price Index (US)	3.4	2.8	1.7	2.5	2.5
Ten Year Treasury Notes	6.0	5.0	5.3	5.8	5.8
Three Month Treasury Bills	5.8	3.4	1.9	3.7	5.0
Annual Growth	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Nonfarm Employment	2.3	1.6	0.5	0.8	1.0
Personal Income	5.1	5.2	3.4	3.4	4.2
Wage and Salary Income	6.3	6.0	3.8	4.3	5.6
Farm Income	19.1	-20.0	-35.9	8.1	2.8
Nonfarm Business Income	6.6	4.9	4.7	5.1	4.1
Dividends, Interest and Rent	2.1	2.9	0.7	0.3	0.7
Total Transfer Payment	3.6	4.9	5.8	3.7	2.5
Rates					
Unemployment Rate (RI)	4.1	4.2	4.7	4.6	4.4
Consumer Price Index (US)	2.9	3.4	2.3	2.1	2.5
Ten Year Treasury Notes	6.1	5.1	5.2	5.6	5.8
Three Month Treasury Bills	5.7	4.1	2.6	2.8	4.4

The economists concur on the fact that the national economy went into recession in March 2001. Economy.com assigns a 90% probability that the end of the national recession was in February 2002 while DRI-WEFA assigns an 80% probability that the national recession ended in January 2002. Economy.com assigns a 70% probability that the U.S. economy entered into the recovery phase in March 2002 and that the recovery will continue through October 2003 at which time the national economy will return to its long-run steady state equilibrium growth

path. Economy.com forecasts that the annualized percent change in U.S. GDP will be 1.75% over the course of the recovery. DRI-WEFA assigns a 75% probability that the national economic recovery took hold in February 2002 and will continue through June 2003 at which time the national economy will return to its long-run steady state equilibrium growth path. DRI-WEFA forecasts that the annualized percent change in U.S. GDP will be 1.5% over the course of the recovery.

The Conference focused its attention on the Rhode Island economy. The conferees generally agreed that the Rhode Island economy, as measured by the change in nonfarm employment, entered into a mild recession in the first calendar quarter of 2001 and emerged from the recession in the fourth calendar quarter of 2001. This consensus represents a revision to the timing of the recession as compared to the November 2001 REC consensus economic forecast. The November 2001 Conference had forecasted a mild recession starting in Rhode Island during the fourth calendar quarter of 2001 and ending in first calendar quarter of 2002.

The Conference reached a consensus that an economic recovery began in Rhode Island during the fourth calendar quarter of 2001 and will continue through the second calendar quarter of 2003, at which time the state's economy will return to its long-run steady state growth path. This consensus is also a revision to the timing of the recovery as compared to the November 2001 REC consensus economic forecast. The November 2001 Conference had forecasted the state's economic recovery to begin in the second calendar quarter of 2002 and end in the third calendar quarter of 2002.

As determined by the May 2002 REC, Rhode Island's recession was the mildest post-WW II recession in the state's history, with total nonfarm employment actually growing from 475.8 thousand in 2000 to 478.0 thousand in 2001, a gain of 2.2 thousand jobs. This compares to a forecasted gain of 0.5 thousand jobs over the same period as was forecasted at the November 2001 REC. In addition, the May 2002 REC forecasts job growth in 2002 of 2.8 thousand jobs, or 0.6%, in 2002 and a 4.8 thousand, or 1.0%, gain in nonfarm employment in 2003. Rhode Island's long-run steady state nonfarm employment growth rate is 0.7%. This employment refers to the number of Rhode Island residents working, as opposed to the number of jobs in Rhode Island establishments.

The conferees at the May 2002 REC forecasted nonfarm employment growth of 0.5% for FY 2002 and 0.8% for FY 2003. This translates into job *gains* of approximately 2,600 in FY 2002 and approximately 3,900 in FY 2003. This expectation is in sharp contrast to the forecast agreed upon by the conferees at the November 2001 Conference when a *loss* of 5,300 jobs was forecast for FY 2002 and a slight gain of about 1,400 jobs was forecast for FY 2003.

The May 2002 Conference forecasts that personal income will grow modestly over this same period, with growth in excess of inflation of 1.1% in FY 2002 and 1.3% in FY 2003. This prediction is in contrast to the November 2001 REC forecast of growth *less* than inflation of -0.4% in FY 2002 and 1.1% growth in excess of inflation in FY 2003. The May 2002 Conference forecasts consumer price inflation to remain below three percent for the entire forecast horizon. This is consistent with the inflation forecast of the November 2001 REC.

Revenue Estimates

Taxes. Revenues from taxes are estimated to decline 6.1 percent in FY 2002 from FY 2001 and grow 3.6 percent in FY 2003 over the revised FY 2002 estimate. Total estimated taxes for FY 2002 of \$1,889.3 million are \$167.7 million below the enacted estimates. FY 2003 total estimated taxes are \$1,958.0 million, \$68.8 million above the revised FY 2002 estimate.

Personal Income Tax. The estimates of \$800.5 million for FY 2002 and \$815.8 million for FY 2003 represent growth rates of -12.4 percent from FY 2001 and 1.9 percent from revised FY 2002 respectively. These growth rates, however, include the final year of the five-year phase in of the Governor's income tax reduction plan adopted by the 1997 Assembly and modified by the 2001 Assembly. As you recall, this plan lowers tax rates from 27.5 percent of federal tax liability to the equivalent of 25.0 percent of federal taxable income. The estimates assume that the effective income tax rate for the 2002 tax year will be 25.0 percent. The cost of the income tax reduction program is approximately \$81.6 million in FY 2003, the first full fiscal year in which the complete phase-out is reflected.

The estimates include anticipated losses in Rhode Island final income tax collections of \$3.6 million in FY 2002 and \$7.1 million in FY 2003 that are attributable to the federal 2001 tax law changes. The federal Economic Growth and Tax Relief Reconciliation Act of 2001 lowered federal tax liability through lower rates and changes to taxable income. The 2001 Assembly adopted legislation that compensates for the lower rates by using effective Rhode Island rates applied to the new federal taxable income. This has the effect of losing the revenues associated with those changes to federal taxable income, which include more favorable treatment for the taxpayer of education, pension and traditional IRA contributions, and alternative minimum tax provisions in current law.

In addition to the above adjustments to Rhode Island income tax collections, the estimates also include anticipated losses in Rhode Island estimated income tax payments of \$4.1 million in FY 2002 and \$6.6 million in FY 2003 that are attributable to the federal 2002 tax law changes. The federal Job Creation and Worker Assistance Act of 2002 allows businesses a "bonus" depreciation of thirty percent (30%) on all depreciable assets put in place after September 10, 2001. This bonus depreciation has the effect of shifting forward in time the allowable depreciation of a given asset thereby lowering federal taxable income for businesses in the near-term and thus decreasing state tax collections from business income. In addition, the act changes the net operating loss carryback provisions for personal income tax filers (i.e., subchapter S corporations, etc.) from two to five years. The Division of Taxation estimates that thirty percent (30%) of the total Rhode Island impact of this act will accrue to personal income tax filers.

Business Taxes. The Conference estimates total business tax collections of \$174.4 million in FY 2002, a growth rate of -26.0 percent from FY 2001 collections, and \$202.9 million in FY 2003, a growth rate of 16.3 percent from the May REC estimate for FY 2002. The FY 2002 May REC estimate is \$42.2 million below the enacted budget, with the overwhelming majority

of this shortfall being accounted for by an estimated decrease in business corporation income taxes. The FY 2003 May REC estimate for business corporation income taxes is \$11.0 million above the FY 2002 estimate but remains below the five-year average level of collections for this tax.

The decline in business corporation taxes is exacerbated by the passage of the federal Job Creation and Worker Assistance Act of 2002, a description of which is provided above. According to the Division of Taxation, seventy percent (70%) of the total Rhode Island impact of this act will accrue to business corporation income tax filers. Thus, the estimates for business corporation income taxes include losses of \$9.6 million in FY 2002 and \$11.5 million in FY 2003 that are attributable to the passage of this act.

Sales Tax. The conferees estimate sales tax revenues of \$748.0 million in FY 2002 and \$776.8 million in FY 2003. The May REC FY 2002 estimate is \$22.2 million above the November REC estimate for FY 2002 and \$16.2 million, or 2.2 percent, more than the enacted estimate. The May REC FY 2002 estimate represents growth of \$35.4 million, or 5.0 percent, over actual FY 2001 receipts. The May REC estimate for FY 2003 sales tax collections represents growth of 3.7% from the FY 2002 estimate.

Other Sales and Use Taxes. The conferees estimated \$136.7 million in other sales and use taxes for FY 2002 and \$132.4 million for FY 2003. Other sales and use taxes include motor vehicle fees, and cigarette and alcohol excise taxes. The revised May FY 2002 estimate is \$3.0 million above the November REC estimate for FY 2002 and only \$0.1 million below the enacted level. This slight difference between the revised May FY 2002 estimate and the enacted estimate is in spite of the fact that taxes from cigarettes are estimated to be \$2.0 million below their enacted level. The decrease in other sales and use taxes for FY 2003 is largely attributable to a forecasted decline in cigarette tax collections of \$5.1 million. Just over one-half of this decrease is due to the fact that, under current law, no cigarette floor stock taxes will be collected in FY 2003. In FY 2002, the cigarette floor stock tax yielded \$2.6 million.

Other Taxes. The Conference estimated inheritance, racing and athletics, and realty transfer taxes to be \$29.7 million in FY 2002 and \$30.2 million in FY 2003. The revised May FY 2002 estimate is \$1.0 million below the November FY 2002 estimate and \$0.6 million below the enacted estimate. Approximately twenty-five percent (25%) of the decrease from the November FY 2002 estimate is due to the lower than anticipated growth in taxes generated by racing and athletics, which consists of taxes collected on wagering activities at the state's two pari-mutuel facilities, Lincoln Park and Newport Grand Jai Alai. In addition, the gain of \$0.5 million in FY 2003 above the May FY 2002 estimate is due entirely to an anticipated increase in inheritance tax collections.

Departmental Receipts. The estimators adopted estimates of \$240.7 million in FY 2002 and \$183.4 million in FY 2003 for these sources that include licenses and fees, fines and penalties, sales and services, and miscellaneous departmental earnings deposited as general revenues.

The May FY 2002 estimate is an increase of \$3.3 million from the November FY 2002 estimate and \$3.4 million from the enacted estimate.

FY 2003 drops off mainly due to the end of the hospital license fee in FY 2002, which produces \$56.9 million. That fee has been implemented on a year-to-year basis, and has been extended each year since its inception. The estimators, however, must estimate within the context of current law, under which there would not be a hospital license fee in FY 2003.

Other Sources. Other source revenue consists of transfers to the general fund from gas taxes deposited in the transportation fund, the lottery, unclaimed property, and other miscellaneous sources, including tobacco settlement payments under the Master Settlement Agreement. The conferees estimated that these revenue sources would produce \$315.5 million in FY 2002 and \$301.5 million in FY 2003. The May FY 2002 estimate is an increase of \$6.8 million over the November FY 2002 estimate and a \$35.7 million increase to the enacted estimates. The largest portion of the change between the May FY 2002 and the November FY 2002 estimates is due to the fact that the revenues expected from the Blue Cross Settlement were received in FY 2002 rather than FY 2003 as had been expected. The difference between the May FY 2002 estimate and the enacted estimate is attributable to both the earlier receipt of the Blue Cross Settlement payment and an upward revision in Lottery revenues of \$23.8 million.

The May FY 2003 estimate is \$13.9 million less than the May FY 2002 estimate due to dedication of the remaining 1/4 cent of gas tax to transportation under current law (\$1.2 million) and changes to the other miscellaneous sources. The latter includes the dedication of bond proceeds earnings to the Sinking Fund in FY 2003 under current law, no transfer from the Resource Recovery Corporation in FY 2003, and the earlier receipt of the Blue Cross Settlement payment than had been anticipated in November.

The Lottery is estimated to transfer \$212.1 million in FY 2002 and \$234.9 million in FY 2003. The May FY 2002 estimate is only a \$0.1 million increase from the November FY 2002 estimate but is a sharp increase of \$23.8 million over the enacted estimate. The growth in Lottery receipts in FY 2002 is 17.3 percent over FY 2001 collections. For FY 2003, the revised estimate of \$234.9 million represents growth of 10.7% over the May FY 2002 estimate.

The conferees estimated growth in the transfers to the general fund from video lottery terminals to be 22.0 percent in FY 2002, for a total of \$148.6 million. In FY 2003, the conferees estimated further growth of 11.7 percent in video lottery terminal transfers to the general fund, the total of which is \$166.0 million. The growth from FY 2002 to FY 2003 does not include any impact from the introduction of additional video lottery terminals in FY 2003 should such an expansion of gaming occur.

It should be noted that the Revenue Estimating Conferees agreed that certain revenue items proposed by the Governor that did not require changes in current law for their implementation would be included in the May estimate. These items totaled \$7.1 million in FY 2002 and \$2.8 million in FY 2003.

Impact on the Governor's Proposed Budget

The total impact on the Governor's FY 2002 supplemental budget is determined by augmenting the \$92.9 million revenue reduction estimated by the conferees at the May 2002 REC with the \$7.1 million of adopted changes noted above. The result of this is a decrease in general revenues of \$100.0 million for FY 2002 from the Governor's supplemental FY 2002 budget that was submitted to the General Assembly on January 8, 2002.

The total impact on the Governor's proposed FY 2003 budget is determined by augmenting the \$74.6 million revenue reduction estimated by the conferees at the May 2002 REC with the \$2.8 million of adopted changes noted above. The result of this is a decrease in general revenues of \$77.4 million for FY 2003 from the Governor's proposed FY 2003 budget that was submitted to the General Assembly on February 14, 2002.

The Constitution of the State of Rhode Island and Providence Plantations provides that only 98 percent of general revenues are available for appropriated expenditures. The May 2002 Conference's downward revision of estimated revenues, therefore, decreases available resources for appropriated expenditures by \$173.9 million.

May Revenue Estimating Conference Forecasted Growth in General Revenues

	FY 2001		FY 2002		FY 2003	
	Audited	Growth	Estimate	Growth	Estimate	Growth
Personal Income Tax	\$913,805,718	11.8%	\$800,500,000	-12.4%	\$815,800,000	1.9%
General Business Taxes						
Business Corporations	60,629,245	-10.8%	14,000,000	-76.9%	25,000,000	78.6%
Franchise	8,174,570	5.5%	8,500,000	4.0%	8,700,000	2.4%
Public Utilities Gross	82,112,494	12.5%	85,600,000	4.2%	94,800,000	10.7%
Financial Institutions	19,105,691	148.7%	8,500,000	-55.5%	8,700,000	2.4%
Insurance Companies	37,448,382	19.5%	28,800,000	-23.1%	35,500,000	23.3%
Bank Deposits	959,329	1.2%	1,100,000	14.7%	1,200,000	9.1%
Health Care Provider	27,319,481	10.9%	27,900,000	2.1%	29,000,000	3.9%
Sales and Use Taxes						
Sales and Use	712,596,610	12.9%	748,000,000	5.0%	776,800,000	3.9%
Motor Vehicle	44,433,272	1.7%	45,300,000	2.0%	45,800,000	1.1%
Motor Fuel	1,151,584	79.6%	1,100,000	-4.5%	1,150,000	4.5%
Cigarettes	60,067,612	1.1%	80,500,000	34.0%	75,400,000	-6.3%
Alcohol	9,203,779	-0.1%	9,800,000	6.5%	10,000,000	2.0%
Controlled Substances	4	-97.6%		-100.0%		0.0%
Other Taxes						
Inheritance and Gift	26,912,400	-24.3%	21,500,000	-20.1%	22,000,000	2.3%
Racing and Athletics	5,472,514	1.8%	5,450,000	-0.4%	5,450,000	0.0%
Realty Transfer	2,556,006	17.6%	2,700,000	5.6%	2,700,000	0.0%
Subtotal Taxes	\$2,011,948,690	10.7%	\$1,889,250,000	-6.1%	\$1,958,000,000	3.6%
Departmental Receipts						
Licenses and Fees	\$154,740,137	42.1%	\$137,500,000	-11.1%	\$82,100,000	-40.3%
Fines and Penalties	25,312,503	-9.4%	22,400,000	-11.5%	22,900,000	2.2%
Sales and Services	24,989,961	-25.1%	26,300,000	5.2%	26,700,000	1.5%
Miscellaneous	56,635,240	52.4%	54,500,000	-3.8%	51,700,000	-5.1%
Subtotal Departmentals	\$261,677,841	26.2%	\$240,700,000	-8.0%	\$183,400,000	-23.8%
Taxes and Departmentals	\$2,273,626,531	12.3%	\$2,129,950,000	-6.3%	\$2,141,400,000	0.5%
Other Sources						
Gas Tax Transfer	\$8,538,414	-42.8%	\$1,155,000	-86.5%	\$0	-100.0%
Other Miscellaneous	97,011,236	16.3%	95,660,000	-1.4%	58,700,000	-38.6%
Lottery	180,743,897	20.3%	212,100,000	17.3%	234,900,000	10.7%
Unclaimed Property	4,460,535	26.7%	6,500,000	45.7%	7,900,000	21.5%
Total Other Sources	\$290,754,082	15.3%	\$315,415,000	8.5%	\$301,500,000	-4.4%
Total General Revenues	\$2,564,380,613	12.6%	\$2,445,365,000	-4.6%	\$2,442,900,000	-0.1%

May 2002 Revenue Estimates Compared to Enacted Revenue Estimates

	FY 2002 May Estimate	Change to Enacted	FY 2003 May Estimate	Change from May FY 2002
Personal Income Tax	\$800,500,000	(\$140,900,000)	\$815,800,000	\$15,300,000
General Business Taxes				
Business Corporations	14,000,000	(50,000,000)	25,000,000	11,000,000
Franchise	8,500,000	600,000	8,700,000	200,000
Public Utilities Gross	85,600,000	4,700,000	94,800,000	9,200,000
Financial Institutions	8,500,000	3,500,000	8,700,000	200,000
Insurance Companies	28,800,000	(2,500,000)	35,500,000	6,700,000
Bank Deposits	1,100,000	200,000	1,200,000	100,000
Health Care Provider	27,900,000	1,300,000	29,000,000	1,100,000
Sales and Use Taxes				
Sales and Use	748,000,000	16,200,000	776,800,000	28,800,000
Motor Vehicle	45,300,000	1,300,000	45,800,000	500,000
Motor Fuel	1,100,000	200,000	1,150,000	50,000
Cigarettes	80,500,000	(2,000,000)	75,400,000	(5,100,000)
Alcohol	9,800,000	400,000	10,000,000	200,000
Controlled Substances		0		0
Other Taxes				
Inheritance and Gift	21,500,000	(1,000,000)	22,000,000	500,000
Racing and Athletics	5,450,000	50,000	5,450,000	0
Realty Transfer	2,700,000	300,000	2,700,000	0
Subtotal Taxes	\$1,889,250,000	(\$167,650,000)	\$1,958,000,000	\$68,750,000
Departmental Receipts				
Licenses and Fees	\$137,500,000	\$3,276,999	\$82,100,000	(\$55,400,000)
Fines and Penalties	22,400,000	(600,000)	22,900,000	500,000
Sales and Services	26,300,000	1,267,090	26,700,000	400,000
Miscellaneous	54,500,000	(594,000)	51,700,000	(2,800,000)
Subtotal Departmentals	\$240,700,000	\$3,350,089	\$183,400,000	(\$57,300,000)
Taxes and Departmentals	\$2,129,950,000	(\$164,299,911)	\$2,141,400,000	\$11,450,000
Other Sources				
Gas Tax Transfer	\$1,155,000	(\$20,000)	\$0	(\$1,155,000)
Other Miscellaneous	95,660,000	8,727,781	58,700,000	(36,960,000)
Lottery	212,100,000	23,800,000	234,900,000	22,800,000
Unclaimed Property	6,500,000	3,200,000	7,900,000	1,400,000
Total Other Sources	\$315,415,000	\$35,707,781	\$301,500,000	(\$13,915,000)
Total General Revenues	\$2,445,365,000	(\$128,592,130)	\$2,442,900,000	(\$2,465,000)

May 2002 Revenue Estimates Compared to November 2001 Revenue Estimates

	FY 2002 May Estimate	Change to Nov FY '02 Est.	FY 2003 May Estimate	Change to Nov FY '03 Est.
Personal Income Tax	\$800,500,000	(\$83,000,000)	\$815,800,000	(\$76,200,000)
General Business Taxes				
Business Corporations	14,000,000	(36,000,000)	25,000,000	(34,600,000)
Franchise	8,500,000	600,000	8,700,000	800,000
Public Utilities Gross	85,600,000	(3,800,000)	94,800,000	1,100,000
Financial Institutions	8,500,000	(500,000)	8,700,000	(300,000)
Insurance Companies	28,800,000	(5,500,000)	35,500,000	1,200,000
Bank Deposits	1,100,000	170,000	1,200,000	270,000
Health Care Provider	27,900,000	900,000	29,000,000	1,200,000
Sales and Use Taxes				
Sales and Use	748,000,000	22,200,000	776,800,000	27,900,000
Motor Vehicle	45,300,000	900,000	45,800,000	900,000
Motor Fuel	1,100,000	0	1,150,000	50,000
Cigarettes	80,500,000	1,900,000	75,400,000	(700,000)
Alcohol	9,800,000	200,000	10,000,000	400,000
Controlled Substances		0		0
Other Taxes				
Inheritance and Gift	21,500,000	(1,000,000)	22,000,000	(500,000)
Racing and Athletics	5,450,000	(250,000)	5,450,000	(250,000)
Realty Transfer	2,700,000	200,000	2,700,000	100,000
Subtotal Taxes	\$1,889,250,000	(\$102,980,000)	\$1,958,000,000	(\$78,630,000)
Departmental Receipts				
Licenses and Fees	\$137,500,000	\$500,000	\$82,100,000	\$2,000,000
Fines and Penalties	22,400,000	1,900,000	22,900,000	2,400,000
Sales and Services	26,300,000	400,000	26,700,000	200,000
Miscellaneous	54,500,000	500,000	51,700,000	(900,000)
Subtotal Departmentals	\$240,700,000	\$3,300,000	\$183,400,000	\$3,700,000
Taxes and Departmentals	\$2,129,950,000	(\$99,680,000)	\$2,141,400,000	(\$74,930,000)
Other Sources				
Gas Tax Transfer	\$1,155,000	\$5,000	\$0	\$0
Other Miscellaneous	95,660,000	6,370,000	58,700,000	(6,004,000)
Lottery	212,100,000	100,000	234,900,000	6,200,000
Unclaimed Property	6,500,000	300,000	7,900,000	100,000
Total Other Sources	\$315,415,000	\$6,775,000	\$301,500,000	\$296,000
Total General Revenues	\$2,445,365,000	(\$92,905,000)	\$2,442,900,000	(\$74,634,000)